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TAGS: [ECON](#) [EFIN](#) [IZ](#)
SUBJECT: COR'S ECONOMIC COMMITTEE REQUESTS BUDGET EXECUTION
REPORTS

REF: BAGHDAD 1576

Classified By: Economic Minister-Counselor Daniel Weygandt for reasons
1.4 (b) and (d).

¶1. (C) According to Council of Representatives and Economic Committee Member Amirah Al Baldawi, the Committee is beginning an aggressive program of its own to pressure both the national and provincial government to execute their capital budgets promptly. The Economic Committee will ask for progress reports on budget execution from ministries and the provincial governments. In a May 17 meeting with Econoff, Dr. Al Baldawi said the Economic Committee will contact the economic committees of the provincial councils to determine their ability to plan and execute capital budgets. Dr. Al Baldawi considers this outreach a form of assistance, and she plans on meeting soon with the chair of the Economic Committee of the Baghdad Provincial Council. She said that the CoR Economic Committee is also concerned that there may not be sufficient coordination between ministerial and provincial plans for capital projects within the provinces. The Economic Committee will be questioning ministries on whether this coordination is taking place.

¶2. (C) Dr. Al Baldawi believes it would be difficult for any spending unit to expend 25% of its capital budget by the mid-year review, which is necessary to avoid a possible reallocation of funding as stipulated in the 2007 Budget Law (reftel). She said it always seemed like an overly ambitious goal because the budget was passed so late, which is why the CoR lowered the threshold for review from 37.5% in the draft law to 25% in the final law. Nonetheless, Dr. Al Baldawi said, the budget stipulation is a good incentive for spending units to execute the budget, and allows for greater oversight. Dr. Al Baldawi does not expect the CoR to recess for two months this summer, noting that the CoR made similar decisions to truncate the last winter and summer recesses because of urgent legislative responsibilities.

¶3. (C) Dr. Al Baldawi had questions about the Iraqi press reports on the replacement of the Iraq Reconstruction Management Office with the Iraq Transition Assistance Office. "Does this mean that the U.S. is diminishing its support for Iraq?" she asked. Econoff explained the shift in focus of U.S. efforts from reconstruction to economic growth, emphasizing that the U.S. wants to continue and even accelerate its engagement to assist Iraq in developing its economy. Dr. Al Baldawi agreed that Iraq did not need more funds for reconstruction, but instead needs capacity development and technical assistance.

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